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1914. (Philadelphia: American Iron and Steel Institute. 1915. Pp. 118. \$5.)

Catalogue of articles made in the Birmingham district. (Birmingham, Ala.: Chamber of Commerce. 1915. Pp. 64.)

Transportation and Communication

Regulation of Railroads and Public Utilities in Wisconsin. By FRED L. HOLMES. Appleton's Railway Series, edited by EMORY R. JOHNSON. (New York: D. Appleton and Company. 1915. Pp. xi, 375. \$2.00.)

As one of Appleton's Railway Series, this book seems out of place. Its subject-matter covers the general field of public utilities, and although there is much elementary material relating to accounting, rates, valuation, and corporation finance, the scope of the work, as the title indicates, is limited to a description and defense of the methods and activities of the Wisconsin Railroad and Utilities Commission. It can hardly be assumed, therefore, that Mr. Holmes' book is meant as a scientific textbook of the character of Ray Morris' *Railroad Administration* and Hooper's *Railroad Accounting*.

Mr. Holmes, having been a member of the Wisconsin legislature which framed the laws regulating public utilities, naturally claims too much for his state, "as one of the pioneers in the field of railroad and public utility regulation." He ignores almost completely the previous activities of the Interstate Commerce Commission and of the Massachusetts and New York railway commissions. Certainly, in the matter of railroad regulation, Wisconsin has done little more than follow the methods and policies established by the Interstate Commerce Commission, and under existing federal control of interstate commerce it is difficult to see how it could do otherwise. Even the railroad valuations undertaken by Wisconsin since 1903 have been primarily for taxation purposes and not for regulation. It is Mr. Holmes' contention that Wisconsin utility legislation, on the whole, has been satisfactory, and that this has been due mainly to the "scientific drafting of the laws." By this is evidently meant the participation of the state university professors in the preparation and in the application of the laws. The book mentions the valuable assistance rendered by the university staffs, and there are numerous quotations from utterances and writings of its members.

It is not necessary in this review to consider all the topics covered in the 24 chapters of the book as the treatment of the subject-matter is elementary and to some extent consists of quotations from published articles and addresses. The chapter on valuation is interesting. The Wisconsin Utility Commission definitely adopted the "reproduction cost" basis of valuation. This policy is praised by Mr. Holmes. In view, however, of the very recent repudiations of the reproduction theory by prominent utility regulators, who fear the railroads will be thereby valued too highly, it may be expected that the Wisconsin authorities also will reject the theory. Possibly Mr. Holmes will then realize the force of his own statement: "It is not correct to speak of a standard method of valuation" (p. 41).

The only variation of the "reproduction method" suggested by Mr. Holmes is the "cost new less accrued depreciation." The Wisconsin public utility law directs every public utility in the state to "carry a proper depreciation account whenever the Commission after investigation shall determine that such depreciation account can be reasonably required." Since the determination of the proper and adequate rates of depreciation is left to the state commission, it can be readily inferred that this power, to be properly exercised, requires serious and difficult investigation and constant and intuitive insight into the operating conditions of utilites. Mr. Holmes describes briefly the activities of the commission in its work of determining depreciation rates, particularly its compilation of "life tables" of different classes of properties. He discusses also, in an elementary manner, the bookkeeping methods of providing for depreciation, but intimates that because of the many engineering and economic problems, no attempt is made to cover the entire field—that would require a volume in itself.

A. M. SAKOLSKI.

Albany, N. Y.

Railway Regulation. An Analysis of the Underlying Problems in Railway Economics from the Standpoint of Government Regulation. By I. LEO SHARFMAN. (Chicago: LaSalle Extension University. 1915. Pp. iv, 230. \$2.00.)

Professor Sharfman's *Railway Regulation* is avowedly written as a textbook, and its subtitle, "an analysis of the underlying problems in railway economics," even as limited, arouses hope. Beginning with a few well-chosen paragraphs on the extent and importance of